



U.S. Customs and Border Protection

PUBLIC VERSION

October 31, 2023

VIA EMAIL

Nicholas J. Birch
On behalf of the Cast Iron Soil Pipe Institute
Schagrin Associates
900 Seventh Street, NW
Suite 500
Washington, DC 20001
nbirch@schagrinassociates.com

Besttn Industry Inc.
10900 Fawcett Avenue
S El Monte, California 91733
besttn@fastmail.com

RE: Notice of Initiation of Investigation and Interim Measures – EAPA Case Numbers 7819 and 7820 (Consolidated Case Number 7819) – Cast Iron Soil Pipe and Cast-Iron Soil Pipe Fittings

Dear Counsel and/or Representatives for the above-referenced Entities:

The purpose of this letter is to inform you that U.S. Customs and Border Protection (CBP) has commenced a formal investigation under Title IV, Section 421 of the Trade Facilitation and Trade Enforcement Act of 2015, commonly referred to as the Enforce and Protect Act (EAPA). CBP is investigating whether U.S. importer Besttn Industry Inc. (Besttn) is evading antidumping duty (AD) orders and countervailing duty (CVD) orders on cast iron soil pipe fittings (CISPF) from the People's Republic of China (case numbers A-570-062 and C-570-063) (Allegation 7819) and cast iron soil pipe (CISP) from the People's Republic of China (case numbers A-570-079 and C-570-080) (Allegation 7820).¹ Based on a review of available information, CBP has determined there is reasonable suspicion that Besttn entered CISP and CISPF (collectively, covered merchandise) for consumption into the customs territory of the United States through

¹ See *Cast Iron Soil Pipe Fittings From the People's Republic of China: Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order*, 83 FR 44570 (August 31, 2018); *Cast Iron Soil Pipe Fittings From the People's Republic of China: Countervailing Duty Order*, 83 FR 44566 (August 31, 2018); *Cast Iron Soil Pipe From the People's Republic of China: Antidumping Duty Order*, 84 FR 19035 (May 3, 2019); and *Cast Iron Soil Pipe From the People's Republic of China: Countervailing Duty Order*, 84 FR 19039 (May 3, 2019) (collectively, *Orders*).

evasion; therefore, CBP is issuing a formal notice of investigation (NOI) and imposing the interim measures, as outlined below.²

Period of Investigation

Pursuant to 19 C.F.R. § 165.2, entries covered by an EAPA investigation “are those entries of allegedly covered merchandise made within one year before the receipt of an allegation....” Entry is defined as an “entry, or withdrawal from warehouse for consumption, of merchandise in the customs territory of the United States.”³ The Cast Iron Soil Pipe Institute (Alleger) filed separate EAPA allegations against Besttn for its entries of CISP and CISPF on April 25, 2023.⁴ CBP acknowledged receipt of the properly filed EAPA allegations against Besttn on July 5, 2023.⁵ The entries covered by this investigation are those entered for consumption, or withdrawn from warehouse for consumption, from July 5, 2022, through the pendency of this investigation.⁶

Initiation

On July 26, 2023, the Trade Remedy Law Enforcement Directorate (TRLED), within CBP’s Office of Trade, initiated investigations 7819 and 7820 under EAPA based on the allegations submitted by the Alleger regarding the evasion of AD/CVD duties by Besttn.⁷ The two investigations together are consolidated case 7819. The Alleger asserted that available information reasonably suggested Besttn imported Chinese-origin CISP and CISPF that was subject to the AD/CVD orders on CISP and CISPF, but entered as products of Malaysia to evade the *Orders*.

Description of the Alleged Transshipment Scheme

The Alleger claims that evidence shows that Besttn links to an “apparent affiliate,” Kingway China, a known exporter of CISP and an entity that faces AD/CVD duties on CISP and CISPF.⁸ Kingway China reported in March 2018 to the Department of Commerce, in a separate rate application signed by Xuguang Yang, the Vice Manager, that it did not have an affiliate in the United States.⁹ The Alleger argues that the claim of no U.S. affiliate was not true, as Kingway USA was registered with the State of California at least as early as February 2017.¹⁰ The Alleger

² See 19 U.S.C. § 1517(b)(1) (noting that the information provided in the allegation must “reasonably suggest” evasion to initiate an investigation); *id.* § 1517(e), 19 C.F.R. § 165.24 (noting that the “reasonable suspicion” standard must be satisfied to implement interim measures).

³ See 19 U.S.C. § 1517(a)(4); *see also* 19 C.F.R. § 165.1.

⁴ See Letters from Cast Iron Soil Pipe Institute, “Cast Iron Soil Pipe Fittings: Request for an Investigation under the Enforce and Protect Act,” dated April 25, 2023 (Allegation 7819) and “Cast Iron Soil Pipe: Request for an Investigation under the Enforce and Protect Act,” dated April 25, 2023 (Allegation 7820) (collectively, Allegations).

⁵ See Email from CBP, “EAPA 7819 and 7820 - Receipt of Properly Filed Allegations,” (July 5, 2023).

⁶ See 19 C.F.R. § 165.2.

⁷ See CBP Memorandum, “Initiation of Investigation for EAPA Case Numbers 7819 and 7820 (EAPA Consolidated Case 7819) – Cast Iron Soil Pipe and Cast Iron Soil Pipe Fittings,” (July 26, 2023) (Initiation Memo).

⁸ See Allegations at 7 and Exhibit 12. *See also* Initiation Memo at 2.

⁹ See Allegations at 7.

¹⁰ See Allegations at 7 and Exhibit 3. *See also* Initiation Memo at 3.

stresses that because Kingway China faces AD/CVD duties on CISP and CISP, Kingway China is incentivized to evade the *Orders*.¹¹

The Allegor argues that Besttn's chief executive officer (CEO), chief financial officer (CFO), and director, Xuguang Yang, mutually served in the roles of CEO, Secretary, CFO, and director in December 2021 for Kingway USA.¹² The Allegor explains that the importer Besttn was registered as a California corporation in February 2022.¹³ Besttn was dissolved as a corporation in December 2022 by Xuguang Yang.¹⁴ The Allegor provided information showing that Besttn appears to have been used as an importer of record for shipments even after its dissolution date.¹⁵

Besides Besttn and Kingway USA appearing to share the same CEO, Besttn and Kingway USA also share a similar address. While Besttn was registered at 10900 Fawcett Ave., South El Monte, California, 91733, Kingway USA's business address is 10816 Fawcett Avenue, South El Monte, California 91733.¹⁶ The Allegor maintained that the 10900 Fawcett Avenue and 10816 Fawcett Avenue addresses both appear to be a part of a complex of buildings used for legally separate but apparently operationally identical plumbing supply businesses, including Kingway USA, Agua Plumbing Supply, Brother Plumbing Supply Inc., and DuoHome Electrical Inc.¹⁷

Citing data from [[source](#)] on shipments entering the United States, the Allegor contends that Besttn imported over 350 tons of cast iron "hubless" and "no hub" pipe and fittings, including imports of hubless pipe that were listed under HTS subheading 7307.11.045 and HTS subheading 7303.00.0030.¹⁸ The Allegor provided information indicating that the hubless CISP and no hub CISP that were imported by Besttn were reported to be shipped by United Metal Industries, which has an address of 434, Jalan Kamunting, Taman Saujana Kamunting, 34600 Kamunting, Perak Malaysia.¹⁹ However, the Allegor claims that this address cannot be the address of a CISP and CISP producer since that address (*i.e.*, 434 Jalan Kamunting) is a business office location for a telecommunications provider, not a cast iron foundry (or for any other industrial production).²⁰

The Allegor suggests, based on Xuguang Yang's role as either vice manager or CEO in each of the three entities (Besttn, Kingway USA, and Kingway China), that Kingway China's once vice manager took over operations of Kingway USA and set up Besttn as a corporate front for Kingway's operations in the United States.²¹ Thereafter, Besttn imported shipments of CISP and CISP from United Metal Industries, which does not clearly have established production facilities in Malaysia.²² The Allegor also points out that the short existence of Besttn, but its continued post-dissolution activity, indicate it was only intended for import-related activities.²³

¹¹ See Allegations at 8.

¹² See Allegations at 4-5, Exhibit 2, and Exhibit 3. See also Initiation Memo at 2-3.

¹³ See Allegations at 4 and Exhibit 2. See also Initiation Memo at 2.

¹⁴ See Allegations at 4 and Exhibit 2. See also Initiation Memo at 2-3.

¹⁵ See Allegations at 4 and Exhibit 1. See also Initiation Memo at 3.

¹⁶ See Allegations at 4-5, Exhibit 2, and Exhibit 3. See also Initiation Memo at 3.

¹⁷ See Allegations at 5 and Exhibit 4. See also Initiation Memo at 3.

¹⁸ See Allegations at 4 and Exhibit 1. See also Initiation Memo at 2.

¹⁹ See Allegations at 6 and Exhibit 1. See also Initiation Memo at 2.

²⁰ See Allegations at 6 and Exhibit 9. See also Initiation Memo at 2.

²¹ See Allegations at 5 and Exhibit 4. See also Initiation Memo at 3.

²² See Allegations at 4, 8, and Exhibit 1. See also Initiation Memo at 3.

²³ See Allegations at 8. See also Initiation Memo at 3.

Together, this evidence and the high AD and CVD duties on CISPF and CISP from Kingway China, reasonably suggest that the imports are, in fact, transshipped Chinese covered merchandise.²⁴

Initiation Assessment

TRLED will initiate an investigation if it determines that “{t}he information provided in the allegation ... reasonably suggests that the covered merchandise has been entered for consumption into the customs territory of the United States through evasion.”²⁵ Evasion is defined as “the entry of covered merchandise into the customs territory of the United States for consumption by means of any document or electronically transmitted data or information, written or oral statement, or act that is material and false, or any omission that is material, and that results in any cash deposit or other security or any amount of applicable antidumping or countervailing duties being reduced or not being applied with respect to the merchandise.”²⁶ Thus, the allegation must reasonably suggest not only that the importer alleged to be evading entered merchandise covered by an AD and/or CVD order into the United States, but also that such entry was made by a material false statement or act, or material omission, that resulted in the reduction or avoidance of applicable AD and/or CVD cash deposits or other security.

In assessing the claims made and evidence provided in the allegations, TRLED found the allegations reasonably suggested that Besttn engaged in evasion of AD order A-570-079 and CVD order C-570-080 on CISP from China and AD order A-570-062 and CVD order C-570-063 on CISPF from China by transshipping Chinese-origin CISP and CISPF through Malaysia, and by failing to declare the merchandise as subject to those *Orders*. Specifically, the Allegor has submitted documentation reasonably available to it, including: [source] data showing imports by Besttn from United Metal Industries in Malaysia; information showing that United Metal Industries does not appear to have CISP and CISPF production facilities in Malaysia, nor does it appear to have a registered address with any sort of production facilities (rather, the reported address appears to be that of a telecommunications provider); information showing that Besttn, Kingway USA, and Kingway China each share Xuguang Yang in a managerial position as either Vice Manager or CEO; maps demonstrating that Besttn and Kingway USA both have had a registered address in the same building complex on the same street in South El Monte, California; and information showing that Kingway China in a Department of Commerce March 2018 proceeding did not disclose that it had a U.S. affiliate per articles of incorporation filed with the State of California for Kingway USA in February 2017, thus obscuring the CISP and CISPF ties between Kingway China, which is subject to the *Orders*, and Kingway USA. Since Xuguang Yang had leadership roles at Kingway China before assuming the CEO, CFO, and director roles at Besttn, and since there does seem to be similarity in the addresses for Besttn and Kingway USA, the evidence reasonably suggests that Besttn evaded the *Orders* by transshipping merchandise from Kingway China. Consequently, TRLED initiated investigations pursuant to 19 U.S.C. § 1517(b)(1) and 19 C.F.R. § 165.15.

²⁴ See Allegations at 8. See also Initiation Memo at 3.

²⁵ See 19 C.F.R. § 165.15(b); see also 19 U.S.C. § 1517(b)(1).

²⁶ See 19 U.S.C. § 1517(a)(5); see also 19 C.F.R. § 165.1 (setting forth the definition of “evasion”).

Interim Measures

Not later than 90 calendar days after initiating an investigation under EAPA, TRLED will decide based on the record of the investigation if there is reasonable suspicion that merchandise covered by the AD/CVD orders was entered into the United States through evasion. CBP need only have sufficient evidence to support a reasonable suspicion that the importer alleged to be evading entered merchandise covered by an AD and/or CVD order into the United States by a materially false statement or act, or material omission, that resulted in the reduction or avoidance of applicable AD and/or CVD cash deposits or other security. If reasonable suspicion exists, CBP will impose interim measures pursuant to 19 U.S.C. § 1517(e) and 19 C.F.R. § 165.24. As explained below, CBP is imposing interim measures because, based on record evidence, there is reasonable suspicion that Besttn entered covered merchandise of Chinese origin into the customs territory of the United States through evasion by means of transshipment through Malaysia.

CBP Form 28 Responses

On August 16, 2023, CBP issued two CBP Form 28 requests for information (CF-28) to Besttn for two entries, [#]8820 and [#]8101.²⁷ In the CF-28s, CBP requested that Besttn provide purchase orders, bills of lading, and proof of payment for the imported merchandise. In addition, CBP requested that Besttn provide: full production records for CISP and CISPF (including invoices for raw materials indicating origin, supplier, and material test reports); factory profile and business registration information about supplier (including business registration or articles of incorporation; details about production capabilities including but not limited to equipment used in production, number of employees, physical location, mailing address, turnaround time on orders, and an estimate of total annual production capacity of CISP and CISPF); the owner(s) name and/or corporate officeholders; export documentation; production process description (including a listing of all equipment used, photographs of production equipment, and a flow chart of the production process that explains raw materials used at each step); contract details and work process description for any subcontractors; and any additional costs/expenses incurred in this transaction.

On September 12, 2023, Besttn provided a response to the CF-28s for entry [#]8820 and entry [#]8101.²⁸ Besttn submitted the following documents for both entries: bill of lading, certificates of origin, company profile and production process, an apparent factory business registration, freight invoice, batch production record, proof of payment, and sales contract.²⁹

Certain documents that Besttn filed were duplicates for both entries whereas other documents differed for the respective entry. The same company profile and pictures of equipment and production process were reported for both CF-28 Response No. 8820 and CF-28 Response No. 8101. The same apparent factory business registration in Malaysian, which was not translated into English as requested in the CF-28s, was reported for both CF-28 Response No. 8820 and CF-28 Response No. 8101.

²⁷ See CBP CF-28 for Entry [#]8820 (August 16, 2023) and CF-28 for Entry [#]8101 (August 16, 2023).

²⁸ See Besttn's CF-28 responses for Entry [#]8820 (September 12, 2023) (CF-28 Response No. 8820) and Entry [#]8101 (September 12, 2023) (CF-28 Response No. 8101).

²⁹ *Id.*

For the remaining documents, Besttn filed a distinct version of the type of document corresponding with each entry. The bill of lading (BL) were distinct, *i.e.*, BL number [#####] with a gross weight cargo of [##] kilograms was reported as a part of CF-28 Response No. 8820, whereas BL number [#####] with a gross weight cargo of [##] kilograms was reported as a part of CF-28 Response No. 8101. The certificates of origin were distinct, *i.e.*, certificate of origin [#####] with a gross weight of [#] kilograms for invoice number [###] was reported as part of CF-28 Response No. 8820, whereas certificate of origin [#####] with a gross weight of [#] kilograms for invoice number [#] was reported as part of CF-28 Response No. 8101. There are also two distinct freight invoices, batch production records, proofs of payment and sales contracts.

The invoiced price and invoice gross weight across the two entries are remarkably similar, even though they are entered as distinct products falling under distinct HTS classifications. The value and payment for invoice [###] is \$[#] whereas the gross weight per the BL is [#] kilograms; the BL and invoice were reported in CF-28 Response No. 8820 and entered as HTS code 7303.00.0030. The value and payment for invoice [##] is \$[#] whereas the gross weight per the BL is [#] kilograms; the BL and invoice were reported in CF-28 Response No. 8101 and entered as HTS code 7307.11.0045. The similarities between price and kilogram for both entries suggest that one kilogram of imported merchandise is valued at approximately one U.S. dollar, for merchandise entered under both HTS classifications 7303.00.0030 and 7307.11.0045. Given that evidence shows Besttn's imports appeared to have started in July 2022 and ended in February 2023, there is reasonable suspicion that the entered prices may not have been reliably reported during the short window of imports.³⁰ Given the questions as to the similarity of the quantity and volume and thus the accuracy, TRLED would have opted to conduct a cargo examination for an entry to confirm that the entered quantities and values of the merchandise were indeed recorded correctly. However, given that Besttn's import activity has ceased, TRLED is unable to conduct a cargo examination and compare the reported quantities and values against the actual merchandise entered.

Invoice [#] is \$[#] and consists of [list of merchandise]. The weight of the pipe is not recorded on invoice [#]. The total number of pieces reported on invoice [#] is [#]. The only specification that appears to be specified on the invoice is a dimension. No other attributes (*e.g.*, wall thickness, length, surface finish, end finish, or stenciling) are reported on the invoice.³¹ While the full specifications of the merchandise on invoice [###] are not identified on the invoice, a simple average of the [##] kilograms by the [#] total invoice pieces suggests that each piece would average to about [##] kilograms.

Invoice [#] is \$[#] and consists of [list of merchandise]

³⁰ See Allegations at 4.

³¹ The scope of the CISP Orders specifies attributes that may distinguish CISP, *e.g.*, "The merchandise covered by this order is cast iron soil pipe, whether finished or unfinished, regardless of industry or proprietary specifications, and regardless of wall thickness, length, diameter, surface finish, end finish, or stenciling."

]. The weight of the merchandise is not recorded on invoice [#####]. The total number of pieces reported on invoice [###] is [###] pieces. A simple average of the [#] kilograms by the [#] pieces suggests that each piece would average to about [#] kilograms.

We would expect that different merchandise under different HTS classifications would have different pricing structures and find it unexpected that for both invoices, the average to about one U.S. dollar per kilogram. Since the invoice between Besttn and United Metal Industries do not provide detailed merchandise characteristics, and since the invoice does not specify the weight, we are unable to reconcile the entered weight and value with the individual line items on the invoices.

Some of the requested documentation was not provided in Besttn's CF-28 responses. Specifically, in the CF-28s, CBP requested that Besttn provide: export documentation; full production records for CISP and CISPF including "invoices or orders for raw material indicating the point of origin and supplier of these raw materials and any material test reports, if applicable;" and a flow chart of the production process that explains clearly what raw materials are used at each step. This requested information was not provided. The absence of a production process flowchart and invoices for raw material inputs into CISP and CISPF suggests that United Metal Industries did not purchase raw materials that went into CISP and CISPF production, or even has a production flow by which it manufactures CISP and CISPF.

Some of the requested documentation provided was only partially provided. Specifically, in the CF-28s, CBP requested that Besttn provide: particular "details about the production capabilities (*i.e.*, a list of equipment used in production, the number of employees, physical location, mailing address, turnaround time on orders, an estimate of total annual production capacity of CISP and CISPF)." ³² Besttn provided a batch production record containing a list of equipment, identified the number of employees in the company profile, and reported an office address and a plant address; however, Besttn did not identify or demonstrate the turnaround time on orders or provide an estimate of total annual production capacity of CISP and CISPF. ³³

Additionally, the CF-28s instructed that responses be provided in English. Besttn provided an apparent factory business registration that is inferred to be a factory business registration because the name of the computer file is "factory business registration." However, CBP is unable to confirm any particularities on the apparent factory business registration as Besttn did not provide an English translation.

Besttn reported a picture of the plant that ostensibly is at [address]. ³⁴ This area does appear to have many factories; however, TRLED obtained both Google Maps and Google Earth images of the address and the images do not have any identified United Metal Industries facilities, or any facility claiming to produce CISP or CISPF, even though the company profile indicated the company has operated for many years. The lack of a United Metal Industries Google Earth

³² See CF-28 Response No. 8820 and CF-28 Response No. 8101.

³³ *Id.*

³⁴ *Id.*

presence implies that United Metal Industries is not using Google to market its CISP and CISPf to consumers in the United States even though it has exported CISP and CISPf to the United States and claims it manufactures the CISP and CISPf that is exported to the United States.³⁵

In a nine-sentence, narrative description of the United Metal Industries company profile, the date of establishment or incorporation of United Metal Industries is not specified. The closest the description gets to indicating the timeframe of the company's operation is a sentence of the company profile indicating that "through many years of honest and serious attitude, {United Metal Industries} had become a technology-based private joint-stock enterprise with design, producing, processing and developing all kinds of cast iron and ductile iron goods." Since no specific date or timeline is identified in the description, TRLED is unable to determine with certainty: 1) the number of years that constitutes United Metal Industries' claim of "many years," {of operation}; 2) the year in which the United Metal Industries facility was incorporated, was established, was built, developed the necessary production technology, and managed the necessary resources to be a competitive producer in the CISP/CISPf industry; 3) how to reconcile the years of United Metal Industries' CISP/CISPf production with the period of shipments (which available evidence shows were shipped from United Metal Industries in Malaysia and imported by Besttn) that started in July 2022 and continued through as recently as February 2023.³⁶

In an attempt to better understand the operations of United Metal Industries, CBP obtained the business profile, business registration, and business expiration certificate from Suruhanjaya Syarikat Malaysia (SSM) (*i.e.*, the Malaysian Companies Commission).³⁷ The certificate of expiry of a business registration from SSM indicates that the business registration for United Metal Industries expired on February 13, 2023, seven months before the September 12, 2023, CF-28 responses.³⁸ The SSM documents identified the principle place of business address as No. 434 Jalan Kamunting, Taman Saujana Kamunting, 34600, Kamunting, Perak, which is the same address reported as the office address on the business profile in the CF-28 responses and the same address reported for United Metal Industries in the Allegations.³⁹ The SSM certificate of registration is dated February 14, 2022.⁴⁰

In the nine-sentence company profile reported in the CF-28 responses, there is no mention that United Metal Industries' business registration expired. Since the apparent business registration expiry on February 13, 2023, appears to have been withheld, there is reasonable suspicion as to whether information in the CF-28 responses pertaining to United Metal Industries is complete, is reliable, or is factual in its claim that United Metal Industries is producing CISP and CISPf in Malaysia.⁴¹ Additionally, it has been less than two years since the certificate of registration for United Metal Industries was issued on February 14, 2022. Since United Metal Industries is described as having many years of operations, which could be reasonably understood to

³⁵ See Memorandum, "Map and Business Registration," dated October 31, 2023 (Map and Registration Memo).

³⁶ See Allegations at 4, 7, and Exhibit 1. While the Allegor identified that shipments continued through as recently as February 2023, those shipments are irrespective of Besttn's documented corporate dissolution in December 2022. See Allegations at 2 and Exhibit 2.

³⁷ See Map and Registration Memo.

³⁸ *Id.*

³⁹ See Map and Registration Memo. See also CF-28 Response No. 8820 and CF-28 Response No. 8101; and Allegations at 6.

⁴⁰ See Map and Registration Memo.

⁴¹ See CF-28 Response No. 8820 and CF-28 Response No. 8101.

constitute more than two years of operations, the claim reported in the CF-28 response contradicts the facts acquired from the SSM documents.⁴²

Additionally, there is no suggestion in the company profile reported in the CF-28 responses that United Metal Industries is a relatively new company with less than five years of experience. Since no definitive timeline of its history is provided or explained in the company profile, and since SSM documents show that United Metal Industries was registered on February 14, 2022, and expired on February 13, 2023, the temporary nature of the one-year period of United Metal Industries' corporate registration suggests that United Metal Industries was set up for a one-year period of time to be a shell company. The inference from the available business registration records that the establishment of United Metal Industries was a corporate front in Malaysia by which to ship non-Malaysian-origin CISP/CISPF to the United States is similar to the Alleger's claim that Besttn itself was set up as a corporate front for imports.⁴³ And, there is clear evidence in the Allegations that Besttn has close ties to a known Chinese producer of CISP and CISPF, making it likely that United Metal Industries is helping to ship Chinese-origin product.

In the CF-28 responses there are reported pictures of equipment and ostensible steps of the production process for CISPF: [

list of equipment and production steps

].

In the CF-28 responses there are reported pictures of equipment and ostensible steps of the production process for CISP: [

list of equipment and production steps

].

However, with respect to the reported CISP/CISPF pictures of equipment and production steps, there is no assurance that the reported pictures were photographed in Malaysia, or that they are pictures of United Metal Industries' equipment and production.

Additionally, in the CF-28 responses, Besttn provided: freight invoices, proof of payment, and sales contract. In the CF-28 responses, Besttn provided a batch production record for "pipes" and "fittings" that appear to have undergone production and been completed in November 2022. However, these sales documents provide no convincing information that Besttn imported CISPF and CISPF that was produced in Malaysia, especially because no raw material purchase documents were provided and given the weight of all the other evidence on the record that suggests reasonable suspicion that Besttn imported Chinese-origin CISP and CISPF shipped by United Metal Industries through Malaysia.

Analysis

Based on the evidence presented in the record, CBP determines there is reasonable suspicion that Besttn has evaded the AD and CVD orders on CISPF from China (case numbers A-570-062 and C-570-063) and the AD and CVD orders on CISP from China (case numbers A-570-079 and C-570-

⁴² See CF-28 Response No. 8820 and CF-28 Response No. 8101. See also Map and Registration Memo.

⁴³ See Allegations at 5 and 8.

080) by transshipping Chinese-origin CISP and CISPF through Malaysia and by failing to declare the merchandise as subject to those *Orders*. Information from the Allegations, the CF-28 Responses, and the SSM business documents support such a conclusion.

Specifically, the following evidence supports reasonable suspicion that Besttn evaded the orders:

- an individual who has acted in a managerial position for Kingway China, which faces AD/CVD duties on CISP and CISPF, has also served in a managerial capacity for Besttn and thus links Chinese-origin CISP and CISPF to the importer Besttn;
- the neighboring U.S. address between Besttn and Kingway USA, another California incorporated entity that shares a CEO with Besttn and Kingway China;
- information from [[source](#)] that shows Besttn imported CISP and CISPF under HTS subheading 7307.11.045 and HTS subheading 7303.00.0030 shipped by United Metal Industries;
- publicly available maps showing that United Metal Industries' reported office address does not appear to have any cast iron foundry or CISP/CISPF production capabilities;
- the striking similarity between entered value and gross weight for both CISP and CISPF entries, regardless of any merchandise distinctions between CISP and CISPF;
- Besttn's failure to provide all requested information in the CF-28s including export documentation, raw material invoices, material test reports, production process flow chart, English business registration copies, and total annual CISP/CISPF production capacity;
- no clear existence of United Metal Industries for the reported plant address on Google Maps; and,
- contradictions between the length of time United Metal Industries is purported to have operated and SSM business registration and expiry documents.

The Allegor presented compelling evidence that reasonably suggested Besttn evaded the *Orders*. Further information requested in the CF-28s that, critically, might have provided more information on United Metal Industries' annual CISP/CISPF production capabilities and raw material sourcing practices for input into CISP and CISPF production was not provided. The information that was provided in the CF-28 responses is either not fulsome, contradicts other evidence, or contains surprising pricing patterns that raises reasonable suspicion as to the reliability of the CF-28 responses.

Enactment of Interim Measures

Based on the record evidence, CBP determines that reasonable suspicion exists that Besttn entered covered CISP and CISPF for consumption into the customs territory of the United States through evasion by importing CISP and CISPF from China that was transshipped through Malaysia. Therefore, CBP is imposing interim measures on Besttn's imports of CISP and CISPF into the United States pursuant to this investigation.⁴⁴

Specifically, in accordance with 19 U.S.C. § 1517(e)(1)-(3), CBP shall:

- (1) suspend the liquidation of each unliquidated entry of such covered merchandise that entered on or after July 26, 2023, the date of the initiation of the investigation;

⁴⁴ See 19 U.S.C. § 1517(e); see also 19 C.F.R. § 165.24.

- (2) pursuant to the Commissioner's authority under 19 U.S.C. § 1504(b), extend the period for liquidating each unliquidated entry of such covered merchandise that entered before July 26, 2023, the date of the initiation of the investigation; and
- (3) pursuant to the Commissioner's authority under 19 U.S.C. § 1623, take such additional measures as the Commissioner determines necessary to protect the revenue of the United States, including requiring a single transaction bond or additional security or the posting of a cash deposit with respect to such covered merchandise.⁴⁵

In addition, CBP will require live entry, requiring cash deposits to be posted prior to release of merchandise from CBP custody. CBP will reject any entry summaries that do not comply with live entry procedure and require refile of entries that are within the entry summary rejection period. CBP may also evaluate Besttn's continuous bonds to determine their sufficiency. Finally, CBP may pursue additional enforcement actions, as provided by law, consistent with 19 U.S.C. § 1517(h).

Consolidation of the Investigation

CBP consolidated EAPA investigations 7819 and 7820 on Besttn into a single investigation.⁴⁶ The consolidated (Cons.) case number is maintained. At its discretion, CBP may consolidate multiple allegations against one or more importers into a single investigation, pursuant to 19 CFR 165.13(b), which stipulates that the factors that CBP may consider in consolidating multiple allegations include, but are not limited to, whether the multiple allegations involve: 1) relationships between the importers; 2) similarity of covered merchandise; 3) similarity of AD/CVD orders; and 4) overlap in time periods of entries of covered merchandise.⁴⁷ In these investigations, Besttn is alleged to be entering merchandise from Malaysia that is subject to the *Orders* on CISP and CISPF.⁴⁸ In addition, the entries of Besttn fall within a similar period of investigation.⁴⁹ Moreover, Besttn is alleged to import CISP and CISPF produced in China and then transhipped through Malaysia by way of a single exporter, United Metal Industries.⁵⁰ Because factors warranting consolidation are present in these investigations, CBP is consolidating them and will provide notice pursuant to 19 CFR 165.13(c).

For any future submissions or factual information that you submit to CBP pursuant to this EAPA investigation, please provide a business confidential version and a public version with a public summary⁵¹ using the EAPA Case Management System (CMS), found at <https://eapallegations.cbp.gov>. All public versions will be accessible to the parties to the investigation via the CMS.⁵² Please note that CBP is requiring that all documents submitted via the CMS are made text searchable, especially if those documents are submitted as PDFs.

⁴⁵ See also 19 C.F.R. § 165.24(b)(1)(i)-(iii).

⁴⁶ See Initiation Memo.

⁴⁷ See also 19 USC 1517(b)(5).

⁴⁸ See Allegations.

⁴⁹ *Id.*

⁵⁰ *Id.*

⁵¹ See 19 C.F.R. § 165.4, 165.23(c), and 165.26.

⁵² You will need a login name and password to use the CMS. The website will direct you on how to obtain those.

Should you have any questions regarding this investigation, please feel free to contact us at eapallegations@cbp.dhs.gov. Please include "EAPA Consolidated Case 7819" in the subject line of your email. Additional information on this investigation, including the applicable statute and regulations, may be found on CBP's website at: <https://www.cbp.gov/trade/trade-enforcement/tftea/eapa>.

Sincerely,



Victoria Cho
Acting Director, Enforcement Operations Division
Trade Remedy Law Enforcement Directorate
CBP Office of Trade